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RUCNDT/USMISSION USUN NEW YORK PRIORITY 0032
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C O N F I D E N T I A L SECTION 01 OF 04 MANAGUA 000127

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DEPARTMENT FOR WHA/CEN, NEA

E.O. 12958: DECL: 01/18/2017

Tags: **KDEM MARR MOPS PGOV PINR PREL SNAR IR NU**
SUBJECT: AMBASSADOR DISCUSSES BILATERAL CONCERNS WITH NICARAGUAN AMBASSADOR-DESIGNATE CRUZ

REF: A. MANAGUA 02741
B. MANAGUA 2724
C. MANAGUA 2691
D. MANAGUA 2611
E. MANAGUA 2608

Classified By: Ambassador Paul A. Trivelli. Reasons 1.4 (B,D).

11. (C) Summary: Ambassador recently met with Arturo Cruz, Nicaragua's Ambassador-designate to the United States. During the conversation, Cruz Ortega and the Prayer Breakfast

12. (C) On January 15, Ambassador, DCM and Polcouns held informal discussions with Arturo Cruz, Nicaragua's Ambassador-designate to the United **13.** (C) Cruz, who related that Honduras-based Nicaraguan businessman Javier Arguello had "nominated" President Ortega and wife Rosario for the **14.** (C) While acknowledging the risks entailed in President Ortega's participation in the annual event, Cruz insisted that the benefits outweigh Seeking Traction on the Volz Case

15. (C) The Ambassador briefed Cruz on the status of the Eric Volz case (Ref. A), explaining that Volz' family has engaged members of the U.S. Ending the Logjam on U.S. Oil Company Concessions

16. (C) The Ambassador then raised our concerns regarding a stay order that has frozen the activities of two U.S. oil firms with exploration cc Property Cases and the Annual Waiver Process

17. (C) The Ambassador moved on to the importance of the annual resolution of properties owned by U.S. citizens and seized by the Ortega government in the 1980s. He clarified that while there is no set annual quota of cases that must be resolved to obtain the annual Congressionally mandated waiver of Section 527 of the Foreign Relations Assistance Act, on average 100-150 cases are settled per year. Cruz, who appreciated the importance of the property resolutions, requested a list of the most significant pending cases.

Getting up to Speed on U.S. Assistance Packet

18. (C) The Ambassador next raised our assistance programs to Nicaragua, assuring Cruz we will send him the briefing materials we presented in our orientation of Ortega's technical transition team (Ref. C) and later provide him a similar orientation. The Ambassador explained that our continued assistance to Nicaragua will depend in part on the willingness of the new government to work with us, citing as an example the need for cooperation from the new Minister of Education to continue our assistance in this valuable sector. He added that much of USG assistance is channeled through civil society, not government entities.

MANPAD Destruction, White Paper, and Security Leadership

19. (C) On the subject of security cooperation, the Ambassador underscored the urgency of further MANPADS destruction and the importance of imp **10.** (C) After assuring the Ambassador that Lenin Cerna's wife Marisol Castillo would not/not serve as Defense Minister, Cruz proceeded to conv

11. (C) Expanding on the topic of military cooperation, the Ambassador informed Cruz that our new Southcom Commander, Admiral James Stavridis, is planning to visit Managua in March for a regional security conference, but could come in February as well, particularly if there is GON interest. Cruz, who opined that Admiral Stavridis' visit in February would be helpful, promised to raise the matter with President Ortega at the earliest opportunity. (Note: Cruz later followed up to say that he had conveyed this information to Ortega, and a Stavridis visit "would be welcome.")

12. (C) The Ambassador remarked that GON cooperation on combating narcotrafficking during the Bolanos era was strong; since the beginning of Police Chief Aminta Granera's tenure last fall and the removal of the previous head of the anti-drug unit, the Nicaraguans had intercepted over 9 tons of cocaine. Additionally, the U.S. is also helping Nicaragua refurbish three Dabur patrol boats. Of course, continued GON cooperation is required to maintain these programs.

Dealing with Aleman

13. (C) The Ambassador impressed upon Cruz that any effort or decision to free Arnoldo Aleman would send the wrong signal and sorely test our bilateral relationship. Cruz understood the message and recognized that releasing Aleman would cross a red line.

Who is Coming to Washington?

¶14. (C) On the subject of his staffing plans for the Nicaraguan Embassy in Washington, Cruz related that he will keep on Alcides Montiel as DCM and Kent Shreve as an advisor, but he will remove the Consul General, brother of Fausto Carcabelos, former Director of Immigration, who was investigated for alleged corruption (and whose U.S. visa was recently revoked under 212 (f)). Cruz also hopes to recruit former Vice Minister of Trade Julio Teran and ex-Health Minister Margarita Gurdian. He commented that former Nicaraguan Consul in Washington, Harold Rivas, who is Supreme Electoral Council (CSE) President Roberto Rivas' younger brother, has been designated ambassador to Costa Rica.
(Comment: The GON's assignment of Harold Rivas is likely a reward for Roberto Rivas' "cooperation" with the FSLN during the electoral process.)

Ortega's Personality Cult

¶15. (C) Ambassador-designate Cruz attempted to downplay the ideological intentions of the new Ortega government, rationalizing that the new regime is built more around personality than a particular ideology. He claimed that while the Sandinista National Liberation Front (FSLN) is a "machine to win votes," it is not particularly effective or committed to a determined path.

Biographical Information

¶16. (SBU) Arturo Cruz, Jr. was born in Managua, Nicaragua on August 13, 1953. He is a member of the faculty of the Central American Institute

Comment

¶17. (C) We will provide Ambassador-designate Cruz the appropriate materials followed by a comprehensive briefing. Cruz, who instinctively almc
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